

Business Process Reengineering



Business Process Reengineering in the City of San Diego

The Mayor began Business Process Reengineering (BPR) efforts to improve efficiencies, reduce the cost of City government, and maximize the services offered to our residents. BPR focuses on significantly streamlining work processes (activities, services or functions) and reorganizing functional work groups and positions for substantial improvement. Through BPR efforts undertaken to date, the City has begun to realize significant cost savings and efficiencies and staff have identified methods to improve the effectiveness of services provided to the public.

Background

In December 2005 City management and staff began a study of the City's contracting processes. The City has now adopted a standard methodology for BPR studies and has initiated and/or completed BPR studies in the following Departments:

- Development Services
- Engineering and Capital Projects
- Environmental Services
- Fire-Rescue
- General Services Department (Street Division, Publishing Division, Fleet Maintenance Division, Facilities Maintenance Division)
- Labor Relations/Personnel
- Information Technology
- Libraries
- Metropolitan Wastewater
- Park Maintenance
- Police
- Purchasing and Contracting
- Water
- Purchasing and Contracting

In addition, the following functions or processes have initiated and/or completed BPR studies:

- Grants and Gifts
- 1472 Processing
- Records Management
- Reservoir Recreation



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Value of BPR

The process used by the City for its BPR efforts has been standardized and documented through a Guidebook. The process begins by establishing a project manager and Steering Committee, which is responsible for drafting a project schedule and project charter, the former articulating an expected completion date and the latter delineating the objectives for the project. Through the BPR effort, the project team maps processes, determines improved methods for completing those processes, benchmarks their methods and performance against other jurisdictions and service providers, and crafts recommendations for improvement. The Steering Committee finalizes the BPR report and briefs the recommendations to the Mayor before they are taken to the City Council for approval.

The purpose of the Contracts reengineering study was to review and reengineer the City of San Diego's procurement processes and procedures, develop recommendations to improve the efficiency and effectiveness contracting service delivery, and to improve the quality and accountability of the procurement process. The City of San Diego's contracts for goods, services, consultants, and construction have historically been handled using a decentralized approach, with authorities spread across all levels of the organization. This resulted in a system that was duplicative in efforts, lacked a centralized tracking system, and had inconsistent levels of oversight.

To address the findings delineated above, the BPR team recommended creating a centralized contracts department to consolidate and streamline into one department procurement resources and processes associated with contract pre-award operations for commodities, services, consultant support, and construction. During the fiscal year 2007 budget process, the City Council approved the creation of this centralized contracting department. This new department, Purchasing & Contracting, provided the framework to consolidate contracting staff and to implement contracting reforms.

The realignment of pre-award contract administration into a centralized contracting department eliminated redundancies in both processes and staffing, resulting in the net reduction of eleven positions that will save the City over \$907,000 in personnel expense.

BPR Implementation Process

The process used by the City for its BPR efforts has been standardized and documented through a Guidebook. The process begins by establishing a team lead and Steering Committee, which is responsible for drafting a project schedule and project charter, the former articulating an expected completion date and the latter delineating the objectives for the project. Through the BPR effort, the project team maps processes, determines improved methods for completing those processes, benchmarks their methods and performance against other jurisdictions and service providers, and crafts recommendations for improvement. The Steering Committee finalizes the BPR report and briefs the recommendations to the Mayor before they are taken to the City Council for approval.

In April 2006, as part of a city-wide effort, Environmental Services Division (ESD) began the BPR process to improve efficiencies, reduce costs and maximize the services offered to our residents. This comprehensive assessment of the Department's six divisions included the participation of over 100 ESD employees as well as outside stakeholders. Taking approximately three months to complete, the BPR effort included process mapping, cost analysis, brainstorming of improvement ideas and benchmarking with other agencies.

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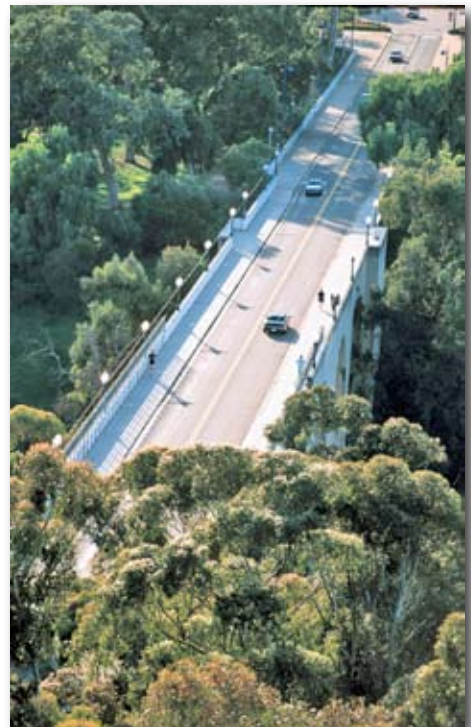
The BPR Study has resulted in a number of efficiencies and cost savings to the City, some of which have already taken effect and some of which will be implemented by July 2007. The BPR is consolidating the Department's six divisions into three operating divisions with centralized administrative functions. Thirty-two positions are being eliminated and eliminating unnecessary management overhead and obsolete or inefficient processes has increased the span of control for managers and supervisors. Customer service and work order management processes are being standardized across the Department, enabling transition to new technologies to produce even greater efficiencies going forward. The BPR is also resulting in reduced requirements for non-personnel expenses.

An example of an increased efficiency in the Department is the consolidation and reassignment of duties in the Solid Waste Code Enforcement section. Field crews, instead of Code Enforcement Officers, have become the first responders for most illegal dumping service requests, and Code Enforcement Officers in two separate sections have been reorganized into one work group to allow for more efficient supervision as well as to accommodate for fluctuations in work load. Additionally, sector-based response teams as well as a portable field data management system will reduce response time and drive time. These efficiencies have allowed the Department to eliminate one Code Enforcement Officer position. Through other efficiencies and staff cuts such as these, the Department will save an expected \$3 million annually while maintaining all core services.

BPR and Managed Competition

The City of San Diego is committed to delivering quality services to taxpayers, residents and visitors in the most economical and efficient way possible. This commitment can also be expressed as delivering services through "competitive government," defined as a government with processes in place to validate that service quality and costs are as good as, or superior to, any legitimate provider available.

Managed competition is a structured process that allows public sector employees to compete openly and fairly with independent contractors (normally private sector firms) for the right to deliver services. This strategy recognizes the high quality and potential of public sector employees, and seeks to tap their creativity, experience and resourcefulness by giving them the opportunity to structure organizations and processes in ways similar to competitive businesses, yet still compatible with public sector realities. (Inherently governmental¹ services are not considered for this strategy.)



¹ Inherently governmental services are those so intimately related to the public interest as to require performance by government employees. The threshold question is normally: "Does the service in question obligate the government in some way such as policy setting, contracting or resource allocation?" The City of San Diego has included police officers, firefighters and lifeguards in this definition.

Business Process Reengineering

BPR studies are one mechanism that will help to prepare the City's Departments for their competition with the private sector. Through BPR, departments identify best organizational structures, policies and procedures. Based on a comprehensive understanding of the efficiency and effectiveness of departmental processes, employees will be able to create proposals that reflect lean, effective, cost-efficient organizations that engage only in core functions and that deliver exceptional services.

During Phase 1 of the Police BPR, the department identified approximately 70 positions currently filled by sworn personnel that can be replaced with civilian employees. This action would return the sworn personnel to duties requiring sworn powers directly affecting service levels in the community.

Accomplishments to Date and Success Stories

The City has completed or is in the process of completed BPR studies for 29 functions and/or Departments. These studies began with reengineering the contracts process, have included a reengineering study of the facilities maintenance function within the City, and are continuing with ongoing studies of the Police and Fire-Rescue Departments, the Development Services Department, and the Library Department. In cases where BPR studies have identified efficiencies or methods to improve effectiveness that can be realized by reengineering a process without making changes to organizational structures or staffing models, these changes have been implemented immediately with results realized quickly. In cases where significant organizational restructuring and/or budget adjustments are required to implement efficiencies and best business practices, Council approval is required resulting in recommendations being implemented only after Council approval is received.

During the BPR for Neighborhood Code Compliance, the Volunteer Program was evaluated. What became clear was how efficient the process was. The cost of the program in staff time could not be lower, while the value added to the community was immense. The recommendation was to continue, and if possible, expand the program. In this case, the benefit BPR provided the City was to identify and detail an existing best practice. Without BPR, the true value of this program might have remained in obscurity.

Future Expectations

All Departments and major functions within the City will be evaluated through the BPR process. Functions that are recommended for managed competition will be completed first, followed by functions or Departments where there is expected to be significant value identified through efficiencies. The BPR process is expected to realize additional cost savings and to improve the services that we provide to our citizens in Fiscal Year 2008 and in future years.